

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2005

CITY OF COLUMBUS

BARTHOLOMEW COUNTY, INDIANA



FILED
03/23/2007

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Brenda Sullivan	01-01-05 to 12-31-07
Mayor	Fred Armstrong	01-01-05 to 12-31-07
President of the Board of Public Works and Safety	Fred Armstrong	01-01-05 to 12-31-07
President of the Common Council	Martha Myers	01-01-05 to 12-31-06
Director of Utilities	Keith Reeves	01-01-05 to 12-31-06
Utility Business Manager	Dale Langferman	01-01-05 to 12-31-06
Airport Manager	Rod Blasdel	01-01-05 to 12-31-06



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE CITY OF COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Columbus (City), as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the City prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2005, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I. As discussed in Note I., the City has presented the business-type activities in a separately issued report.

In accordance with Government Auditing Standards, we have also issued a report dated January 29, 2007, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the City taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

The Management's Discussion and Analysis, Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities and Budgetary Comparison Schedules, as listed in the table of contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Schedules, as listed in the table of contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not a required part of the basic financial statements. The Combining Schedules, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 29, 2007



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

TO: THE OFFICIALS OF THE CITY OF COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

We have audited the financial statements of the City of Columbus (City), as of and for the year ended December 31, 2005, and have issued our report thereon dated January 29, 2007. The opinion to the financial statements was unqualified. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the City's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 29, 2007

**City of Columbus
Management's Discussion and Analysis
For the Year Ended December 31, 2005**

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and Statement of Activities

The Statement of Net Assets and the Statement of Activities reflect how the City of Columbus did financially during 2005. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the City's net assets and changes in those assets. This change in net assets is important because it tells the reader whether the financial position of the City as a whole has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors can include changes in the City's property tax base and the condition of the City's capital assets (buildings, streets, water and wastewater, and storm water lines). These factors must be considered when assessing the overall health of the City.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two types of activities.

- **Governmental Activities** – Most of the City's programs and services are reported here, including public safety, highway and streets, sanitation, health and welfare, economic development, culture and recreation, interest on long term debt, and general government. These services are primarily funded by property and income taxes and from intergovernmental revenues, including federal and state grants and other shared revenues.
- **Business-Type Activities** – These services are provided on a charge for services basis and are intended to recover all or most of the costs of the services provided. The City's water, wastewater, and aviation services are reported here.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Fund financial statements provide detailed information about the City's major funds, the General, Street Maintenance and Repair, Water, Wastewater, and Aviation funds. While the City uses many funds to account for its financial transactions, these are the most significant.

Governmental Funds – The City's governmental funds are used to account for essentially the same programs reported as governmental activities on the government-wide financial statements. Most of the City's basic services are reported in these funds and focus on how money flows into and out of the funds as well as the balances available for spending at year end. These funds are reported on the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services being provided.

City of Columbus
Management's Discussion and Analysis
For the Year Ended December 31, 2005

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to help make this comparison between governmental funds and governmental activities.

Enterprise Funds – The City's enterprise funds use the accrual basis of accounting, the same as that used for the business-type activities on the government-wide financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the City's programs. These funds also use the accrual basis of accounting.

Government-Wide Financial Analysis

Table 1 provides a summary of the City's net assets for 2005 compared to 2004.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Assets						
Current Assets	18,066,567	19,827,427	7,594,455	7,792,274	25,661,022	27,619,701
Restricted Assets	3,392,731		9,945,685	10,368,518	13,338,416	10,368,518
Fixed Assets			76,945,179	74,685,398	76,945,179	74,685,398
Depreciation					-	-
Other Assets			300,971	214,086	300,971	214,086
Total Assets	21,459,298	19,827,427	94,786,290	93,060,276	116,245,588	112,887,703
Liabilities						
Current and Other Liabilities			3,122,396	3,362,907	3,122,396	3,362,907
Long-Term Debt			7,707,148	9,439,782	7,707,148	9,439,782
Other Liabilities					-	-
Equity/Retained Earnings					-	-
Total Liabilities	-	-	10,829,544	12,802,689	10,829,544	12,802,689
Total Net Assets	21,459,298	19,827,427	83,956,746	80,257,587	105,416,044	100,085,014
Net Assets						
Invested in Capital Assets,						
Net of related debt			67,409,744	63,709,055	67,409,744	63,709,055
Restricted	4,846,013		1,745,578	831,246	6,591,591	831,246
Unrestricted	16,613,285	19,827,427	14,801,424	15,717,286	31,414,709	35,544,713
Total Net Assets	21,459,298	19,827,427	83,956,746	80,257,587	105,416,044	100,085,014

City of Columbus
Management's Discussion and Analysis
For the Year Ended December 31, 2005

Total net assets for governmental activities increased \$1.6 million. The governmental activities had an increase in revenues of \$9.6 million and an increase in expenses of \$8.8 million with an increase in beginning assets of 838,743 which makes up the net increase of \$1.6 million in net assets. Part of this is due to an increase in property tax revenue of \$1.2 million.

The net assets for business-type activities increased \$3.6 million. The business-type activities had an increase in revenues of \$.4 million and a decrease in expenses of 377,604 with an increase in beginning assets of \$2.8 million which makes up the net increase of \$3.6 million in net assets. Part of this is due to an increase in residual income. Interest income also increased for 2005 due to favorable investment rates.

Table 2 reflects the changes in net assets for 2005 with a comparison to 2004 net assets. This is a comparative analysis of government-wide data to compare the changes in each category of revenues and disbursements.

Table 2 reflects the changes in net assets for 2005 compared to 2004

	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	Total	
	2005	2005	2004	2004	2005	2004
Receipts						
Program Receipts						
Charges For Services	11,196,415	8,449,017	2,291,613	8,275,026	19,645,432	10,566,639
Operating Grants and Contributions	2,459,738		4,572,931	-	2,459,738	4,572,931
Capital Grants and Contributions	2,009,016		1,198,454	-	2,009,016	1,198,454
Total Program Receipts	15,665,169	8,449,017	8,062,998	8,275,026	24,114,186	16,338,024
General Receipts						
Property Taxes	22,129,155		20,877,029		22,129,155	20,877,029
Other Local Sources	2,814,612	1,645,917	1,691,834	1,934,770	4,460,529	3,626,604
Other Revenues	7,830,934	3,219,795	8,187,671	2,745,075	11,050,729	10,932,746
Total General Receipts	32,774,701	4,865,712	30,756,534	4,679,845	37,640,413	35,436,379
Total Receipts	48,439,870	13,314,729	38,819,532	12,954,871	61,754,599	51,774,403
Transfers					-	-
Total Receipts and Transfers	48,439,870	13,314,729	38,819,532	12,954,871	61,754,599	51,774,403
Program Disbursements						
General Government	15,231,072		8,236,655		15,231,072	8,236,655
Public Safety	16,072,108		13,565,137		16,072,108	13,565,137
Highway and streets	4,011,817		4,241,450		4,011,817	4,241,450
Sanitation	1,636,611		1,851,258		1,636,611	1,851,258
Health and Welfare	61,562		50		61,562	50
Economic Development	1,381,041		3,735,627		1,381,041	3,735,627
Culture and recreation	8,413,788		6,166,997		8,413,788	6,166,997
Interest on Long-Term Debt			183,615			183,615
Water		3,885,422		3,795,829	3,885,422	3,795,829
Wastewater		4,472,024		5,024,550	4,472,024	5,024,550
Aviation		1,258,124		1,293,738	1,258,124	1,293,738
Total Disbursements	46,807,999	9,615,570	37,980,789	10,114,117	56,423,569	48,094,906
Increase in Cash Net Assets	1,631,871	3,699,159	838,743	2,840,754	5,331,030	3,679,497
Beginning Cash Net Assets	19,827,427	80,257,587	18,988,684	77,416,833	100,085,014	96,405,517
Ending Cash Net Assets	21,459,298	83,956,746	19,827,427	80,257,587	105,416,044	100,085,014

**City of Columbus
Management's Discussion and Analysis
For the Year Ended December 31, 2005**

The major program expenses for governmental activities are for public safety, which accounts for just over 35% of all governmental expenses. General government accounts for 33% of total disbursements mainly due to the increase in capital improvements for 2005. Culture and recreation increased from 2004 to 2005 by 2.2 million which accounts for just over 18% of all disbursements. These three programs account for over 85% of the total disbursements for the City of Columbus and are funded almost entirely from property taxes, CAGIT revenues, and State shared revenues.

The City's water and wastewater operations account for over 87% of the business-type expenses and are funded almost entirely from charges for services.

Table 3, indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues. A comparison is provided to show changes from 2004 to 2005.

**Table 3
Governmental Activities**

Table 3 Indicates the total cost of services and the net cost of services for Governmental Activities.

	Total Cost of Services 2005	Net Cost of Services 2005	Total Cost of Services 2004	Net Cost of Services 2004
Program Disbursements				
General Government	15,231,072	6,542,934	8,236,655	7,932,511
Public Safety	16,072,108	15,873,283	13,565,137	13,304,698
Highway and streets	4,011,817	2,197,059	4,241,450	2,009,817
Sanitation	1,636,611	1,636,611	1,851,258	1,851,258
Health and Welfare	61,562	(691,133)	50	(370,471)
Economic Development	1,381,041	1,081,514	3,735,627	245,879
Culture and recreation	8,413,788	4,502,562	6,166,997	4,760,484
Interest on Long-Term Debt			183,615	183,615
Total Disbursements	46,807,999	31,142,830	37,980,789	29,917,791

It should be noted that for all governmental activities, over 70 percent of the revenues to provide these services are derived from the City's general revenues: that being primarily property taxes, CAGIT monies, and state shared revenues. The negative cost of health and welfare services indicates that program revenues are sufficient enough to cover the costs of this program.

GOVERNMENTAL ACTIVITIES FINANCIAL ANALYSIS

The City's major governmental funds are the General Fund, the Public Safety fund, and the Culture and recreation fund. A review of these funds indicates a significant change in general government expenses due to capital improvement purchases. The public safety disbursements increased due to the city adding personnel to the police division to keep up with safety needs throughout the City of Columbus. Culture and recreation disbursements increased by adding more people trails for the communities to achieve a more active physical life. The other areas either decreased or had a very insignificant change in activity from the prior year.

**City of Columbus
Management's Discussion and Analysis
For the Year Ended December 31, 2005**

BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS

The City's enterprise funds are the Water, Wastewater, and Aviation funds. Program revenues, primarily charges for services, have been sufficient to cover the expenses of the respective funds, which can be seen on the statement of activities.

The revenues generated by the utilities division is primarily based on the amount of water the residents use. They are billed based on the quantity they use for both water and sewer. Customers not using the city water supply get billed a flat rate for sewage treatment. Our customer base is primarily residential within the city limits of Columbus. However, we do have an industrial base and do bill a couple rural utilities under a negotiated contract.

The expenses encountered by the utilities division did not change significantly from 2004 to 2005. The charge for services generates enough revenue to offset the expenses generated by utilities and along with the general revenues it covers all the expenses for the utility division.

BUDGETARY HIGHLIGHTS

The City prepares an annual budget of revenues and expenditures/expenses for all funds of the City for use by city officials and department heads and such other budgetary documents are required by State statute, including the annual appropriations ordinance which is effective the first day of January. The City's most significant budgeted fund is the general fund. Any modification to the approved annual budget are only completed upon department request and within qualifying categories based on the State Board of Accounts regulations.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The City of Columbus is GASB34 compliant. The City of Columbus has worked diligently in trying to come up with a starting base for capital asset reporting. In 2004 the city started compiling all capital asset information with an outside asset management company. In 2005 we continued adding and deleting from the compiled list to keep an up to date file on fixed assets. The City of Columbus has chosen to use a base of \$5,000.00 for all capital assets. Any purchase above this amount will be part of the fixed asset reports. The capital asset reporting system includes land, buildings, land improvements, vehicles, machinery and equipment, city infrastructure, and artwork.

At December 31, 2005, the outstanding indebtedness for the city on bond issues was \$3,655,000 for the governmental activities and \$9,035,431 for business-type activities. The governmental activity total was primarily for the parks department. The business-type activity was primarily for water and sewer bond refunds and sewer improvements.

The notes and loans payable for the governmental activities is \$997,500. This amount is for the debt fund for the parks department. The outstanding notes and loans payable for business-type activities is \$498,717. This includes a Mariah Foods note for \$144,000 and a State Revolving Fund Loan for \$354,717.

**City of Columbus
Management's Discussion and Analysis
For the Year Ended December 31, 2005**

The City also had outstanding leases totaling \$5,243,411. This was for The Foundation for Youth department to obtain a facility for the gymnastics center and other facilities, parks vehicle leases and parks batting cages.

CURRENT ISSUES

The City of Columbus made State news by passing a Smoking Ordinance banning smoking in public places. This was a hotly contested issue but after several modifications the Ordinance did pass and is enforce.

The Medic Budget for the year 2006 was deleted from the Annual Budget. The City of Columbus entered into an agreement with Columbus Regional Hospital to do all ambulance transports for the city and county. The firemen with the Medic department were transferred to the regular Fire department. As a result, the city was able to reduce their overall budget.

The Columbus City Council approved a tax abatement to Cummins Scania Manufacturing LLC in the amount of \$25,000,000 for improvements to the Cummins Fuel Plant located at 1460 National Road, Columbus. As a result, 235 new jobs will be created for the community.

The Park Bond of 1998 was refinanced with an approximate savings of between \$50,000 and \$85,000.

The city received the approval for a revolving loan for the public works project needed by the Parks Department. The revolving loan was approved by the City Council and included in the 2005 budget. The Department of Local Government Finance Control Board approved the loan and a tax rate was set to pay this debt back within one (1) year. The Council also approved the procurement of another public works project for the Parks for the year 2006 under the same terms.

The Clerk Treasurer's office by Ordinance went before the City Council and presented documentation to support the establishment of new fund balances for all city accounts. After many months of audit by the accounting firm of Crowe Chizek and with the help of the State Board of Accounts, new starting fund balances were approved. As a result, fund balances are now accurate and bank reconciliations are done on a timely basis.

The Columbus City Utilities will start a new construction project in 2006. It is beginning a \$40,000,000 project to abate the CSO problems as mandated by the state. Utilities will be replacing and adding capacity to the southern and eastern sewer system. They are also adding water lines to the eastern side of the community. The water project will be funded from current reserves but a rate increase will be needed for the wastewater improvements. City Utilities are planning a 79% increase in sewer rates effective midyear of 2006. By the end of 2006, it is the hope to close on the first phase of the debt which will be \$27,449,000 through the State Revolving Fund. Project costs will be paid from current reserves until the debt funding becomes available.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those interested in our City's financial well being. Questions concerning any of the information provided in this report or requests for additional information should be directed to Brenda Sullivan, City Clerk Treasurer, 123 Washington Street, Columbus, Indiana 47201.

CITY OF COLUMBUS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2005

		Program Receipts			Net (Disbursement Receipt and Changes in Net Assets	
					Primary Government	
Functions/Programs	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 15,231,072	\$ 8,681,782	\$ 6,356	\$ -	\$ (6,542,934)	\$ (6,542,934)
Public safety	16,072,108	172,502	26,323	-	(15,873,283)	(15,873,283)
Highways and streets	4,011,817	70,549	1,744,209	-	(2,197,059)	(2,197,059)
Sanitation	1,636,611	-	-	-	(1,636,611)	(1,636,611)
Health and welfare	61,562	752,695	-	-	691,133	691,133
Economic development	1,381,041	133,028	166,499	-	(1,081,514)	(1,081,514)
Culture and recreation	8,413,788	1,385,859	516,351	2,009,016	(4,502,562)	(4,502,562)
Total governmental activities	<u>\$ 46,807,999</u>	<u>\$ 11,196,415</u>	<u>\$ 2,459,738</u>	<u>\$ 2,009,016</u>	<u>(31,142,830)</u>	<u>(31,142,830)</u>
General receipts:						
Property taxes					22,129,155	22,129,155
Other local sources					1,343,476	1,343,476
Grants and contributions not restricted to specific programs					9,011,669	9,011,669
Unrestricted investment earnings					290,401	290,401
Total general receipts					<u>32,774,701</u>	<u>32,774,701</u>
Change in net assets					1,631,871	1,631,871
Net assets - beginning					<u>19,827,427</u>	<u>19,827,427</u>
Net assets - ending					<u>\$ 21,459,298</u>	<u>\$ 21,459,298</u>
<u>Assets</u>						
Cash and investments					\$ 16,613,285	\$ 16,613,285
Cash with fiscal agent					1,453,282	1,453,282
Restricted assets:						
Cash and investments					<u>3,392,731</u>	<u>3,392,731</u>
Total assets					<u>\$ 21,459,298</u>	<u>\$ 21,459,298</u>
<u>Net Assets</u>						
Restricted for:						
Culture and recreation					\$ 1,719,529	\$ 1,719,529
Debt service					57,624	57,624
Other purposes					3,068,860	3,068,860
Unrestricted					<u>16,613,285</u>	<u>16,613,285</u>
Total net assets					<u>\$ 21,459,298</u>	<u>\$ 21,459,298</u>

The notes to the financial statements are an integral part of this statement.

CITY OF COLUMBUS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2005

	General	Parks and Recreation	Thoroughfare	Other Governmental Funds	Totals
Receipts:					
Taxes	\$ 16,989,610	\$ 2,371,857	\$ 237,186	\$ 2,530,502	\$ 22,129,155
Licenses and permits	134,144	-	-	3,280	137,424
Intergovernmental	8,053,111	176,503	114,868	5,135,939	13,480,421
Charges for services	192,052	215,490	-	2,236,334	2,643,876
Fines and forfeits	71,284	33,139	-	32,675	137,098
Other	232,424	62,340	9	1,339,103	1,633,876
Total receipts	25,672,625	2,859,329	352,063	11,277,833	40,161,850
Disbursements:					
General government	7,319,481	-	-	287,147	7,606,628
Public safety	13,876,930	-	-	1,242,977	15,119,907
Highways and streets	515,876	-	294,308	1,749,842	2,560,026
Sanitation	1,616,920	-	-	19,691	1,636,611
Health and welfare	-	-	-	61,562	61,562
Culture and recreation	-	4,341,555	-	2,359,969	6,701,524
Urban redevelopment and housing	-	-	-	1,381,041	1,381,041
Debt service:					
Principal	-	-	-	1,251,516	1,251,516
Interest	-	-	-	119,039	119,039
Capital outlay:					
Highways and streets	-	-	-	1,471,295	1,471,295
Culture and recreation	-	-	-	349,682	349,682
Special assessments	-	-	-	952,201	952,201
Total disbursements	23,329,207	4,341,555	294,308	11,245,962	39,211,032
Excess (deficiency) of receipts over disbursements	2,343,418	(1,482,226)	57,755	31,871	950,818
Other financing sources (uses)					
Transfers in	156	-	-	501,877	502,033
Transfers out	(205,994)	(883)	-	(295,156)	(502,033)
Total other financing sources (uses)	(205,838)	(883)	-	206,721	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,137,580	(1,483,109)	57,755	238,592	950,818
Cash and investment fund balance - beginning	5,448,133	2,179,653	3,754,911	7,672,501	19,055,198
Cash and investment fund balance - ending	\$ 7,585,713	\$ 696,544	\$ 3,812,666	\$ 7,911,093	20,006,016
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:					
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.					1,453,282
Net assets of governmental activities					\$ 21,459,298
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ 6,508,847	\$ 366,623	\$ 3,762,364	5,975,451	\$ 16,613,285
Restricted assets:					
Cash and investments	1,076,866	329,921	50,302	1,935,642	3,392,731
Total cash and investment assets - December 31	\$ 7,585,713	\$ 696,544	\$ 3,812,666	\$ 7,911,093	\$ 20,006,016
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Culture and recreation	\$ -	\$ -	\$ -	\$ 1,719,529	\$ 1,719,529
Debt service	-	-	-	57,624	57,624
Other purposes	1,076,866	329,921	50,302	158,489	1,615,578
Unrestricted	6,508,847	366,623	3,762,364	5,975,451	16,613,285
Total cash and investment fund balance - December 31	\$ 7,585,713	\$ 696,544	\$ 3,812,666	\$ 7,911,093	\$ 20,006,016

The notes to the financial statements are an integral part of this statement.

CITY OF COLUMBUS
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
As of and for the Year Ended December 31, 2005

	Internal Service Funds
Operating receipts:	
Insurance proceeds	\$ 7,732,028
Other	<u>1,526,941</u>
Total operating receipts	<u>9,258,969</u>
Operating disbursements:	
Insurance disbursements	<u>8,578,283</u>
Excess of operating receipts over operating disbursements	<u>680,686</u>
Nonoperating receipts:	
Interest and investment receipts	367
Excess of receipts over disbursements and nonoperating receipts	681,053
Cash and investment fund balance - beginning as originally reported	<u>772,229</u>
Total net assets - beginning, restated	<u>772,229</u>
Cash and investment fund balance - ending	<u><u>\$ 1,453,282</u></u>
<u>Cash and Investment Assets - December 31</u>	
Cash and investments	\$ 1,395,345
Cash with fiscal agent	<u>57,937</u>
Total cash and investment assets - December 31	<u><u>\$ 1,453,282</u></u>
<u>Cash and Investment Fund Balance - December 31</u>	
Restricted for:	
Other purposes	\$ 1,453,282
Total cash and investment fund balance - December 31	<u><u>\$ 1,453,282</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF COLUMBUS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2005

	Pension Trust Funds	Agency Funds
Additions:		
Contributions:		
Employer	\$ 2,077,926	\$ -
Plan members	52,951	-
Other	51,380	-
Total contributions	<u>2,182,257</u>	<u>-</u>
Investment earnings:		
Interest	<u>199,556</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>23,343,184</u>
Total additions	<u>2,381,813</u>	<u>23,343,184</u>
Deductions:		
Benefits	2,534,381	-
Agency fund deductions	<u>-</u>	<u>21,771,404</u>
Total deductions	<u>2,534,381</u>	<u>21,771,404</u>
Excess (deficiency) of total additions over total deductions	(152,568)	1,571,780
Cash and investment fund balance - beginning	<u>5,082,375</u>	<u>269,996</u>
Cash and investment fund balance - ending	<u><u>\$ 4,929,807</u></u>	<u><u>\$ 1,841,776</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF COLUMBUS
STATEMENT OF CASH AND INVESTMENTS
FIDUCIARY FUNDS
For The Year Ended December 31, 2005

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
Cash and investments	\$ 4,929,807	\$ 1,841,776
	<u> </u>	<u> </u>
<u>Net Assets</u>		
Held in trust for employee benefits and other purposes	\$ 4,929,807	\$ 1,841,776
	<u> </u>	<u> </u>

The accompanying notes are an integral part of the financial statements.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, aviation, and urban redevelopment and housing.

The City's financial reporting entity is composed of the Primary Government.

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Business-type activities of the Water Utility, Wastewater Utility, and the Aviation Commission are reported separately in a report dated January 29, 2007.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The parks and recreation fund is a special revenue type fund used to account for the operating receipts and disbursements made in connection with the town's recreation programs and facilities.

The thoroughfare fund is a capital projects type fund used for long-range development of thoroughfare improvements.

The City reports the following major proprietary funds in a separate report dated January 29, 2007:

The water utility fund accounts for the operation of the water distribution system.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

The wastewater utility fund accounts for the operation of the wastewater treatment plant, pumping stations and collection systems.

The aviation fund accounts for the operation of the airport.

Additionally, the City reports the following fund types:

The internal service fund accounts for workers compensation and medical benefits provided to other departments on a cost-reimbursement basis.

The pension trust funds account for the activities of the 1925 police and 1937 fire pension funds, which accumulate resources for pension benefit payments.

Agency funds account for assets held by the City as an agent for employees and serve as control of accounts for certain cash transactions during the time they are a liability to the City.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the water and wastewater. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

4. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the City's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the City submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the City receives approval of the Indiana Department of Local Government Finance.

The City's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. Bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2005, the City had the following investments:

Investment Type	Primary Government Market Value
Certified Deposits	\$ 1,724,133

Investment Policies

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the City and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2005, were as follows:

Transfer From	Transfer To	2005
General Fund	Other governmental	\$ 205,994
Parks and Recreation	Other governmental	883
Other governmental	Other governmental	295,000
Other governmental	General Fund	156
Total		<u>\$ 502,033</u>

The City typically uses transfers to fund ongoing operating subsidies and to transfer the portion of state-shared revenues from the General Fund to the debt service fund for current-year debt service requirements.

IV. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Job Related Illnesses or Injuries to Employees

The City has chosen to establish a risk financing fund for risks associated with job related illnesses or injuries to employees. The risk financing fund is accounted for in the Insurance Nonreverting Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$500,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all funds with payrolls and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external inter-fund transactions.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Medical Benefits to Employees, Retirees, and Dependents

The City has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees and dependents for City, Utility, and Aviation Commission employees. The risk financing fund is accounted for in the Insurance Nonreverting Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$90,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all funds with payrolls and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

B. Subsequent Events

During 2006, the City received a \$1,045,000 Public Works Loan for the construction of a Fire Station on the airport grounds. The loan will be repaid by December 31, 2007.

C. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The City's annual pension cost and related information, as provided by the actuary is presented in this note.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Information to segregate the assets/liabilities and the actuarial study figures between the City and the Utilities is not available.

b. 1925 Police Officers' Pension Plan

Plan Description

The City contributes to the 1925 Police Officers' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. The City's annual pension cost and related information as provided by the actuary is presented in this note.

The use of the pay-as-you-go actuarial cost method by the City results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds.

c. 1937 Firefighters' Pension Plan

Plan Description

The City contributes to the 1937 Firefighters' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute. The City's annual pension cost and related information, as provided by the actuary, is presented in this note.

The use of the pay-as-you-go actuarial cost method by the City results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plans

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Annual required contribution	\$ 336,872	\$ 1,879,900	\$ 2,944,700
Interest on net pension obligation	(13,246)	353,800	617,400
Adjustment to annual required contribution	<u>15,094</u>	<u>(618,100)</u>	<u>(1,078,700)</u>
Annual pension cost	338,720	1,615,600	2,483,400
Contributions made	<u>314,547</u>	<u>1,205,493</u>	<u>1,753,974</u>
Increase in net pension obligation	24,173	410,107	729,426
Net pension obligation, beginning of year	<u>(182,699)</u>	<u>5,241,318</u>	<u>9,147,131</u>
Net pension obligation, end of year	<u>\$ (158,526)</u>	<u>\$ 5,651,425</u>	<u>\$ 9,876,557</u>
Contribution rates:			
City	5.25%	2181%	569%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-05	01-01-05	01-01-05
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	40 years	30 years	30 years
Amortization period (from date)	07-01-97	12-31-77	12-31-77
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

Actuarial Assumptions

Investment rate of return	7.25%	6%	6%
Projected future salary increases:			
Total	5%	4%	4%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	0%	0%
Cost-of-living adjustments	2%	2.75/4%*	2.75/4%*

* 2.75% converted members; 4% nonconverted members

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	\$ 393,620	60%	\$ (387,932)
	06-30-04	320,560	85%	(231,711)
	06-30-05	338,720	98%	(158,526)
1925 Police Officers' Pension Plan	12-31-02	1,516,200	76%	5,149,307
	12-31-03	1,576,500	94%	5,241,318
	12-31-04	1,615,600	75%	5,651,425
1937 Firefighters' Pension Plan	12-31-02	2,537,300	75%	9,297,273
	12-31-03	2,434,200	106%	9,147,131
	12-31-04	2,483,400	71%	9,876,557

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2005, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retires and beneficiaries currently receiving benefits	43	59
Terminated employees entitled to but not yet receiving benefits	0	0
Current active employees		

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The City contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the City is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the City are established by the Board of Trustees of PERF. The City's contributions to the plan for the years ending December 31, 2005, 2004, and 2003, were \$1,397,967, \$1,398,621, and \$1,356,498, respectively, equal to the required contributions for each year.

CITY OF COLUMBUS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 6,022,186	\$ 6,262,135	\$ (239,949)	96%	\$ 6,381,993	(4%)
07-01-04	6,081,741	6,618,903	(537,162)	92%	6,193,312	(9%)
07-01-05	6,331,234	7,682,218	(1,350,984)	82%	6,346,344	(21%)

1925 Police Officers' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-00	\$ 424,757	\$ 16,440,200	\$ (16,015,443)	3%	\$ 181,400	(8,829%)
01-01-01	291,797	16,295,600	(16,003,803)	2%	186,300	(8,590%)
01-01-02	694,707	16,030,200	(15,335,493)	4%	155,600	(9,856%)
01-01-03	969,707	16,106,600	(15,136,893)	6%	204,500	(7,402%)
01-01-04	1,594,540	16,106,100	(14,511,560)	10%	168,000	(8,638%)
01-01-05	1,779,679	14,253,100	(12,473,421)	12%	86,200	(14,470%)

1937 Firefighters' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-00	\$ 599,171	\$ 25,541,300	\$ (24,942,129)	2%	\$ 762,000	(3,273%)
01-01-01	453,666	25,801,200	(25,347,534)	2%	707,800	(3,581%)
01-01-02	1,039,422	26,327,300	(25,287,878)	4%	583,700	(4,332%)
01-01-03	1,610,887	23,998,300	(22,387,413)	7%	860,000	(2,603%)
01-01-04	2,893,417	24,631,900	(21,738,483)	12%	504,000	(4,313%)
01-01-05	3,302,696	24,390,800	(21,088,104)	14%	517,200	(4,077%)

CITY OF COLUMBUS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CONTRIBUTIONS FROM THE
EMPLOYER AND OTHER CONTRIBUTING ENTITIES

1925 Police Officers' Pension Plan				
	Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
			City	State
1925 Police Officers' Pension Plan	12-31-99	\$ 1,600,200	47%	53%
	12-31-00	1,644,700	39%	61%
	12-31-01	1,684,900	42%	58%
	12-31-02	1,710,700	68%	32%
	12-31-03	1,808,800	82%	18%
	12-31-04	1,879,900	64%	36%
1937 Firefighters' Pension Plan	12-31-99	\$ 2,615,400	41%	59%
	12-31-00	2,667,700	32%	68%
	12-31-01	2,762,700	64%	36%
	12-31-02	2,889,100	66%	34%
	12-31-03	2,853,600	91%	9%
	12-31-04	2,944,700	60%	40%

CITY OF COLUMBUS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND
For The Year Ended December 31, 2005

	General Fund			Variance with Final Budget- Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 16,156,395	\$ 16,156,395	\$ 16,989,610	\$ 833,215
Licenses and permits	152,000	125,000	134,144	9,144
Intergovernmental	6,157,187	6,310,903	8,053,111	1,742,208
Charges for services	343,505	471,605	192,052	(279,553)
Fines and forfeits	66,400	66,400	71,284	4,884
Miscellaneous revenue	101,500	101,500	203,337	101,837
Other	165,112	-	29,087	29,087
Total revenues	<u>23,142,099</u>	<u>23,231,803</u>	<u>25,672,625</u>	<u>2,440,822</u>
Expenditures:				
Current:				
General government	7,573,820	8,448,614	7,319,481	1,129,133
Public safety	14,279,118	14,246,479	13,876,930	369,549
Highways and streets	539,976	538,976	515,876	23,100
Sanitation	1,649,320	1,677,420	1,616,920	60,500
Total expenditures	<u>24,042,234</u>	<u>24,911,488</u>	<u>23,329,207</u>	<u>1,582,281</u>
Other financing sources (uses):				
Operating transfers in	-	-	156	156
Operating transfers out	-	-	(205,994)	(205,994)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(205,838)</u>	<u>(205,838)</u>
Net change in fund balance	(900,135)	(1,679,685)	2,137,580	3,817,265
Fund balance - beginning	<u>5,448,133</u>	<u>5,448,133</u>	<u>5,448,133</u>	-
Fund balance - ending	<u>\$ 4,547,998</u>	<u>\$ 3,768,448</u>	<u>\$ 7,585,713</u>	<u>\$ 3,817,265</u>

CITY OF COLUMBUS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND
For The Year Ended December 31, 2005

Function and Department	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget		
General government:				
Mayor:				
Personal services	\$ 135,147	\$ 135,147	\$ 129,349	\$ 5,798
Supplies	4,025	4,025	4,008	17
Other services and charges	55,443	54,978	44,247	10,731
Clerk Treasurer:				
Personal services	305,645	305,645	288,029	17,616
Supplies	9,500	9,095	9,025	70
Other services and charges	65,963	65,963	43,400	22,563
Capital outlay	-	500	500	-
Common Council:				
Personal services	47,653	47,653	37,203	10,450
Supplies	400	656	656	-
Other services and charges	6,562	6,562	6,562	-
Board of Works:				
Personal services	75,416	75,416	49,153	26,263
Other services and charges	1,992,750	1,926,236	1,926,602	(366)
Capital outlay	40,000	4,850	1,200	3,650
Planning:				
Personal services	511,315	511,315	427,253	84,062
Supplies	7,225	7,704	7,685	19
Other services and charges	45,100	50,819	49,481	1,338
Capital outlay	750	1,500	899	601
Community Development:				
Personal services	172,969	172,969	155,754	17,215
Supplies	3,378	2,967	1,785	1,182
Other services and charges	40,290	39,163	33,245	5,918
Information Services:				
Personal services	142,378	142,378	141,607	771
Supplies	1,000	1,000	597	403
Other services and charges	189,554	168,451	165,821	2,630
Capital outlay	15,000	15,000	15,000	-
Risk Management:				
Personal services	101,509	101,509	99,118	2,391
Supplies	1,800	1,800	1,658	142
Other services and charges	1,121,655	1,121,655	382,549	739,106
Administration:				
Personal services	204,730	204,730	197,165	7,565
Supplies	2,050	2,050	1,055	995
Other services and charges	18,860	18,860	6,919	11,941
Capital outlay	400	400	-	400
City Legal:				
Other services and charges	115,228	115,228	112,143	3,085
Municipal Transit:				
Personal services	773,706	775,706	773,078	2,628
Supplies	131,375	131,375	131,142	233
Other services and charges	66,294	71,966	71,966	-
Capital outlay	12,500	8,965	2,664	6,301
Engineering:				
Personal services	366,185	366,185	350,611	15,574
Supplies	8,115	8,115	7,467	648
Other services and charges	81,830	121,363	121,363	-
Capital outlay	3,000	1,494	1,263	231
Human Rights:				
Personal services	160,654	160,654	159,027	1,627
Supplies	2,200	2,200	1,788	412
Other services and charges	17,938	16,392	15,081	1,311
City Hall Facilities:				
Personal services	214,653	214,653	205,650	9,003
Supplies	21,000	21,000	16,671	4,329
Other services and charges	212,675	207,827	160,887	46,940
Capital outlay	18,000	18,000	4,660	13,340

CITY OF COLUMBUS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND
For The Year Ended December 31, 2005
(Continued)

Function and Department	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget		
General government (continued):				
Capital Improvements:				
Capital outlay	50,000	52,654	2,654	50,000
General Government Expense:				
Insurance Transfers	-	953,841	953,841	-
Total General Government	7,573,820	8,448,614	7,319,481	1,129,133
Public safety:				
Fire:				
Personal services	6,263,558	6,263,558	6,107,865	155,693
Supplies	114,060	112,195	98,910	13,285
Other services and charges	272,596	288,714	260,071	28,643
Capital outlay	30,000	34,407	32,428	1,979
Medic:				
Personal services	615,985	615,985	559,666	56,319
Supplies	36,460	36,968	31,757	5,211
Other services and charges	46,776	38,176	36,670	1,506
Capital outlay	35,500	35,500	22,350	13,150
Police:				
Personal services	5,459,207	5,360,233	5,309,464	50,769
Supplies	232,249	248,249	247,283	966
Other services and charges	332,984	364,676	361,371	3,305
Capital outlay	25,000	34,890	34,890	-
Traffic:				
Personal services	255,201	255,201	233,027	22,174
Supplies	87,200	87,200	86,447	753
Other services and charges	38,750	38,750	37,388	1,362
Capital outlay	2,000	2,000	1,857	143
Central Dispatch:				
Other services and charges	100,000	100,000	98,411	1,589
Animal Care and Control:				
Personal services	266,690	266,690	262,603	4,087
Supplies	23,235	31,235	29,467	1,768
Other services and charges	39,667	29,852	23,794	6,058
Capital outlay	2,000	2,000	1,211	789
Total Public safety	14,279,118	14,246,479	13,876,930	369,549
Highways and Streets:				
MPO:				
Personal services	69,962	69,962	62,103	7,859
Supplies	4,500	4,500	2,795	1,705
Other services and charges	52,500	24,500	19,084	5,416
Capital outlay	12,250	12,250	11,319	931
Shop and Garage:				
Personal services	147,739	147,739	149,879	(2,140)
Supplies	130,800	152,800	152,649	151
Other services and charges	120,225	125,225	116,047	9,178
Capital outlay	2,000	2,000	2,000	-
Total Highways and Streets	539,976	538,976	515,876	23,100
Sanitation:				
Personal services	1,174,345	1,154,345	1,103,144	51,201
Supplies	152,625	177,625	172,789	4,836
Other services and charges	67,350	67,350	64,303	3,047
Capital outlay	5,000	5,000	3,584	1,416
Storm Sewer Improvements:				
Other services and charges	250,000	273,100	273,100	-
Total Sanitation	1,649,320	1,677,420	1,616,920	60,500
Total General Fund	\$ 24,042,234	\$ 24,911,488	\$ 23,329,207	\$ 1,582,281

CITY OF COLUMBUS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
MAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2005

	Parks and Recreation			Variance with Final Budget- Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 2,255,535	\$ 2,255,535	\$ 2,371,857	\$ 116,322
Intergovernmental	233,088	183,393	176,503	(6,890)
Charges for services	245,000	245,000	215,490	(29,510)
Fines and forfeitures	-	-	33,139	-
Miscellaneous revenue	3,000	3,000	43,923	40,923
Other	-	-	18,417	18,417
Total revenues	<u>2,736,623</u>	<u>2,686,928</u>	<u>2,859,329</u>	<u>139,262</u>
Expenditures:				
Current:				
Culture and recreation:				
Personal services	2,293,938	2,293,938	2,257,765	36,173
Supplies	276,835	276,835	323,818	(46,983)
Other services and charges	1,388,261	1,720,270	1,662,637	57,633
Capital outlay	<u>91,100</u>	<u>105,622</u>	<u>97,335</u>	<u>8,287</u>
Total expenditures	<u>4,050,134</u>	<u>4,396,665</u>	<u>4,341,555</u>	<u>55,110</u>
Other financing sources (uses):				
Operating transfers out	-	-	(883)	(883)
Total other financing sources (uses)	-	-	(883)	(883)
Net change in fund balances	(1,313,511)	(1,709,737)	(1,483,109)	226,628
Fund balances - beginning	<u>2,179,653</u>	<u>2,179,653</u>	<u>2,179,653</u>	-
Fund balances - ending	<u>\$ 866,142</u>	<u>\$ 469,916</u>	<u>\$ 696,544</u>	<u>\$ 226,628</u>

CITY OF COLUMBUS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
MAJOR CAPITAL PROJECT FUNDS
For The Year Ended December 31, 2005

	Thoroughfare			Variance with Final Budget- Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 225,553	\$ 225,553	\$ 237,186	\$ 11,633
Intergovernmental	66,502	18,340	114,868	96,528
Other	31,540	31,540	9	(31,531)
Total revenues	<u>323,595</u>	<u>275,433</u>	<u>352,063</u>	<u>76,630</u>
Expenditures:				
Current:				
Highway and streets:				
Other services and charges	1,975,000	1,826,971	294,308	1,532,663
Net change in fund balances	(1,651,405)	(1,551,538)	57,755	1,609,293
Fund balances - beginning	<u>3,754,910</u>	<u>3,754,910</u>	<u>3,754,911</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,103,505</u>	<u>\$ 2,203,372</u>	<u>\$ 3,812,666</u>	<u>\$ 1,609,293</u>

CITY OF COLUMBUS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2005

	Motor Vehicle Highway	Local Road and Street	Parking Meter	Park Nonreverting Operating	Community Development Special Programs	Law Enforcement Continuing Education	Riverboat
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	3,280	-
Intergovernmental	1,227,446	419,545	-	516,351	-	10,377	246,296
Charges for services	70,104	-	58,728	1,137,230	-	1,014	-
Fines and forfeits	-	-	32,675	-	-	-	-
Other	-	-	2,233	503,372	63,874	1,005	2,343
Total receipts	<u>1,297,550</u>	<u>419,545</u>	<u>93,636</u>	<u>2,156,953</u>	<u>63,874</u>	<u>15,676</u>	<u>248,639</u>
Disbursements:							
General government	-	-	114,473	-	-	-	-
Public safety	-	-	-	-	-	45,990	-
Highways and streets	1,341,107	336,460	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	2,267,598	-	-	-
Urban redevelopment and housing	-	-	-	-	2,000	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	<u>1,341,107</u>	<u>336,460</u>	<u>114,473</u>	<u>2,267,598</u>	<u>2,000</u>	<u>45,990</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(43,557)</u>	<u>83,085</u>	<u>(20,837)</u>	<u>(110,645)</u>	<u>61,874</u>	<u>(30,314)</u>	<u>248,639</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(43,557)</u>	<u>83,085</u>	<u>(20,837)</u>	<u>(110,645)</u>	<u>61,874</u>	<u>(30,314)</u>	<u>248,639</u>
Cash and investment fund balance - beginning	<u>223,441</u>	<u>90,689</u>	<u>20,837</u>	<u>359,510</u>	<u>137,070</u>	<u>123,608</u>	<u>295,290</u>
Cash and investment fund balance - ending	<u>\$ 179,884</u>	<u>\$ 173,774</u>	<u>\$ -</u>	<u>\$ 248,865</u>	<u>\$ 198,944</u>	<u>\$ 93,294</u>	<u>\$ 543,929</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 179,884	\$ 173,774	\$ -	\$ 248,865	\$ 198,944	\$ 93,294	\$ 543,929
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 179,884</u>	<u>\$ 173,774</u>	<u>\$ -</u>	<u>\$ 248,865</u>	<u>\$ 198,944</u>	<u>\$ 93,294</u>	<u>\$ 543,929</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	<u>179,884</u>	<u>173,774</u>	<u>-</u>	<u>248,865</u>	<u>198,944</u>	<u>93,294</u>	<u>543,929</u>
Total cash and investment fund balance - December 31	<u>\$ 179,884</u>	<u>\$ 173,774</u>	<u>\$ -</u>	<u>\$ 248,865</u>	<u>\$ 198,944</u>	<u>\$ 93,294</u>	<u>\$ 543,929</u>

CITY OF COLUMBUS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2005
(Continued)

	Storm Sewer Nonreverting	Medic Nonreverting	City Hall Nonreverting	Geographic Information System	Common Council Nonreverting	Transit Nonreverting	Human Rights Nonreverting
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	1,087	50	-	-	-	-	5,415
Total receipts	1,087	50	-	-	-	-	5,415
Disbursements:							
General government	-	-	69,398	-	-	9,732	4,598
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	19,691	-	-	-	-	-	-
Health and welfare	-	61,562	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	19,691	61,562	69,398	-	-	9,732	4,598
Excess (deficiency) of receipts over disbursements	(18,604)	(61,512)	(69,398)	-	-	(9,732)	817
Other financing sources (uses)							
Transfers in	50,000	73,848	65,696	-	10,450	24,000	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	50,000	73,848	65,696	-	10,450	24,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	31,396	12,336	(3,702)	-	10,450	14,268	817
Cash and investment fund balance - beginning	277,361	315,090	69,397	44,054	46,251	180,631	5,382
Cash and investment fund balance - ending	<u>\$ 308,757</u>	<u>\$ 327,426</u>	<u>\$ 65,695</u>	<u>\$ 44,054</u>	<u>\$ 56,701</u>	<u>\$ 194,899</u>	<u>\$ 6,199</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 308,757	\$ 327,426	\$ 65,695	\$ 44,054	\$ 56,701	\$ 194,899	\$ 6,199
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 308,757</u>	<u>\$ 327,426</u>	<u>\$ 65,695</u>	<u>\$ 44,054</u>	<u>\$ 56,701</u>	<u>\$ 194,899</u>	<u>\$ 6,199</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	308,757	327,426	65,695	44,054	56,701	194,899	6,199
Total cash and investment fund balance - December 31	<u>\$ 308,757</u>	<u>\$ 327,426</u>	<u>\$ 65,695</u>	<u>\$ 44,054</u>	<u>\$ 56,701</u>	<u>\$ 194,899</u>	<u>\$ 6,199</u>

CITY OF COLUMBUS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2005
(Continued)

	Columbus Redevelopment	Police Alarm System	Fire Alarm System	Telecommunications	Police Asset Forfeiture	LLEBG Crime Prevention Grant	Economic Development Revolving
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	40,000	-	-	-	-	-	-
Charges for services	-	-	4,850	211,713	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	11	6,805	125	2,310	21,114	31,466	9,112
Total receipts	40,011	6,805	4,975	214,023	21,114	31,466	9,112
Disbursements:							
General government	-	-	-	73,204	-	-	-
Public safety	-	10,000	1	-	50,533	28,371	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	415,280
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	-	10,000	1	73,204	50,533	28,371	415,280
Excess (deficiency) of receipts over disbursements	40,011	(3,195)	4,974	140,819	(29,419)	3,095	(406,168)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(177,000)	-	-	-
Total other financing sources (uses)	-	-	-	(177,000)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	40,011	(3,195)	4,974	(36,181)	(29,419)	3,095	(406,168)
Cash and investment fund balance - beginning	-	33,490	21,204	473,265	112,715	(3,086)	406,168
Cash and investment fund balance - ending	\$ 40,011	\$ 30,295	\$ 26,178	\$ 437,084	\$ 83,296	\$ 9	\$ -
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 40,011	\$ 30,295	\$ 26,178	\$ 437,084	\$ 83,296	\$ 9	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	\$ 40,011	\$ 30,295	\$ 26,178	\$ 437,084	\$ 83,296	\$ 9	\$ -
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	40,011	30,295	26,178	437,084	83,296	9	-
Total cash and investment fund balance - December 31	\$ 40,011	\$ 30,295	\$ 26,178	\$ 437,084	\$ 83,296	\$ 9	\$ -

CITY OF COLUMBUS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2005
(Continued)

	Engineering Special Projects	Fire Grants	Dorel Projects	Medic Receipts	Donations	Community Development Special Projects	Advanced Technology Nonreverting
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	270	19,143	-	20,710	107,356	-
Charges for services	-	-	-	752,695	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	333,333	4,526	-	-	-
Total receipts	-	270	352,476	757,221	20,710	107,356	-
Disbursements:							
General government	-	-	-	-	15,742	-	-
Public safety	-	27,165	-	1,033,574	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	352,476	-	-	110,211	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	-	27,165	352,476	1,033,574	15,742	110,211	-
Excess (deficiency) of receipts over disbursements	-	(26,895)	-	(276,353)	4,968	(2,855)	-
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	177,000
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	177,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(26,895)	-	(276,353)	4,968	(2,855)	177,000
Cash and investment fund balance - beginning	72,061	26,895	-	675,117	184,729	72,311	100,003
Cash and investment fund balance - ending	<u>\$ 72,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 398,764</u>	<u>\$ 189,697</u>	<u>\$ 69,456</u>	<u>\$ 277,003</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 72,061	\$ -	\$ -	\$ 398,764	\$ 189,697	\$ 69,456	\$ 277,003
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 72,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 398,764</u>	<u>\$ 189,697</u>	<u>\$ 69,456</u>	<u>\$ 277,003</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	72,061	-	-	398,764	189,697	69,456	277,003
Total cash and investment fund balance - December 31	<u>\$ 72,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 398,764</u>	<u>\$ 189,697</u>	<u>\$ 69,456</u>	<u>\$ 277,003</u>

CITY OF COLUMBUS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2005
(Continued)

	Park Nonreverting Capital	CDBG Entitlement House RLF NR	Housing Revolving Loan	Maintenance Eastside Community Center	Community Development Maintenance	McCullough Run Park	Cumulative Capital Improvement
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	120,742
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	310,272	12,046	6,200	-	-	-
Total receipts	-	310,272	12,046	6,200	-	-	120,742
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	50,000	-
Urban redevelopment and housing	-	296,341	141,192	-	63,541	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Total disbursements	-	296,341	141,192	-	63,541	50,000	-
Excess (deficiency) of receipts over disbursements	-	13,931	(129,146)	6,200	(63,541)	(50,000)	120,742
Other financing sources (uses)							
Transfers in	883	-	-	-	100,000	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	883	-	-	-	100,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	883	13,931	(129,146)	6,200	36,459	(50,000)	120,742
Cash and investment fund balance - beginning	-	-	129,146	-	54,702	88,486	302,593
Cash and investment fund balance - ending	<u>\$ 883</u>	<u>\$ 13,931</u>	<u>\$ -</u>	<u>\$ 6,200</u>	<u>\$ 91,161</u>	<u>\$ 38,486</u>	<u>\$ 423,335</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 883	\$ 13,931	\$ -	\$ 6,200	\$ 91,161	\$ 38,486	\$ 423,335
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 883</u>	<u>\$ 13,931</u>	<u>\$ -</u>	<u>\$ 6,200</u>	<u>\$ 91,161</u>	<u>\$ 38,486</u>	<u>\$ 423,335</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	883	13,931	-	6,200	91,161	38,486	423,335
Total cash and investment fund balance - December 31	<u>\$ 883</u>	<u>\$ 13,931</u>	<u>\$ -</u>	<u>\$ 6,200</u>	<u>\$ 91,161</u>	<u>\$ 38,486</u>	<u>\$ 423,335</u>

CITY OF COLUMBUS
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2005
(Continued)

	Cumulative Capital Development	Cumulative Fire	Park District Bond	Debt Fund 2005	Debt Fund 2006	Special Grants	Totals
Receipts:							
Taxes	\$ 934,512	\$ 474,371	\$ 90,130	\$ 1,031,489	\$ -	\$ -	\$ 2,530,502
Licenses and permits	-	-	-	-	-	-	3,280
Intergovernmental	69,542	283,617	6,706	1,050,338	997,500	-	5,135,939
Charges for services	-	-	-	-	-	-	2,236,334
Fines and forfeits	-	-	-	-	-	-	32,675
Other	1,780	-	-	20,624	-	-	1,339,103
Total receipts	1,005,834	757,988	96,836	2,102,451	997,500	-	11,277,833
Disbursements:							
General government	-	-	-	-	-	-	287,147
Public safety	-	47,343	-	-	-	-	1,242,977
Highways and streets	72,275	-	-	-	-	-	1,749,842
Sanitation	-	-	-	-	-	-	19,691
Health and welfare	-	-	-	-	-	-	61,562
Culture and recreation	-	-	42,371	-	-	-	2,359,969
Urban redevelopment and housing	-	-	-	-	-	-	1,381,041
Debt service:							
Principal	-	-	240,000	1,011,516	-	-	1,251,516
Interest	-	-	99,815	19,224	-	-	119,039
Capital outlay:							
Highways and streets	1,471,295	-	-	-	-	-	1,471,295
Culture and recreation	-	-	-	349,682	-	-	349,682
Public safety	-	952,201	-	-	-	-	952,201
Total disbursements	1,543,570	999,544	382,186	1,380,422	-	-	11,245,962
Excess (deficiency) of receipts over disbursements	(537,736)	(241,556)	(285,350)	722,029	997,500	-	31,871
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	501,877
Transfers out	(118,000)	-	-	-	-	(156)	(295,156)
Total other financing sources (uses)	(118,000)	-	-	-	-	(156)	206,721
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(655,736)	(241,556)	(285,350)	722,029	997,500	(156)	238,592
Cash and investment fund balance - beginning	1,134,133	1,215,957	383,845	-	-	156	7,672,501
Cash and investment fund balance - ending	\$ 478,397	\$ 974,401	\$ 98,495	\$ 722,029	\$ 997,500	\$ -	\$ 7,911,093
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 408,122	\$ 927,058	\$ -	\$ -	\$ -	\$ -	\$ 5,975,451
Restricted assets:							
Cash and investments	70,275	47,343	98,495	722,029	997,500	-	1,935,642
Total cash and investment assets - December 31	\$ 478,397	\$ 974,401	\$ 98,495	\$ 722,029	\$ 997,500	\$ -	\$ 7,911,093
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Culture and recreation	\$ -	\$ -	\$ -	\$ 722,029	\$ 997,500	\$ -	\$ 1,719,529
Debt service	-	-	57,624	-	-	-	57,624
Other purposes	70,275	47,343	40,871	-	-	-	158,489
Unrestricted	408,122	927,058	-	-	-	-	5,975,451
Total cash and investment fund balance - December 31	\$ 478,397	\$ 974,401	\$ 98,495	\$ 722,029	\$ 997,500	\$ -	\$ 7,911,093

CITY OF COLUMBUS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 INTERNAL SERVICE FUNDS
 As of and for the Year Ended December 31, 2005

	Insurance Nonreverting	Flex Fund	Dunn & Associates Employee Benefit	2004 Dunn & Associates Flex Plan	2005 Dunn & Associates Flex Plan	2005 SIHO Flex Plan	2005 SIHO Medical Claims	Total
Operating receipts:								
Insurance proceeds	\$ 3,798,797	\$ -	\$ 273,532	\$ 26,089	\$ 40,332	\$ 285,151	\$ 3,308,127	\$ 7,732,028
Other	1,090,033	263,282	176,329	(2,703)	-	-	-	1,526,941
Total operating receipts	4,888,830	263,282	449,861	23,386	40,332	285,151	3,308,127	9,258,969
Operating disbursements:								
Insurance disbursements	4,311,017	205,044	450,222	36,288	37,486	279,880	3,258,346	8,578,283
Total operating disbursements	4,311,017	205,044	450,222	36,288	37,486	279,880	3,258,346	8,578,283
Excess (deficiency) of receipts over disbursements	577,813	58,238	(361)	(12,902)	2,846	5,271	49,781	680,686
Nonoperating receipts:								
Interest and investment receipts	-	-	151	177	39	-	-	367
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	577,813	58,238	(210)	(12,725)	2,885	5,271	49,781	681,053
Cash and investment fund balance - beginning	759,294	-	210	12,725	-	-	-	772,229
Cash and investment fund balance - ending	\$ 1,337,107	\$ 58,238	\$ -	\$ -	\$ 2,885	\$ 5,271	\$ 49,781	\$ 1,453,282
<u>Cash and Investment Assets - December 31</u>								
Cash and investments	\$ 1,337,107	\$ 58,238	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,395,345
Cash with fiscal agent	-	-	-	-	2,885	5,271	49,781	57,937
Total cash and investment assets - December 31	\$ 1,337,107	\$ 58,238	\$ -	\$ -	\$ 2,885	\$ 5,271	\$ 49,781	\$ 1,453,282
<u>Cash and Investment Fund Balance - December 31</u>								
Restricted for:								
Other purposes	\$ 1,337,107	\$ 58,238	\$ -	\$ -	\$ 2,885	\$ 5,271	\$ 49,781	\$ 1,453,282
Total cash and investment fund balance - December 31	\$ 1,337,107	\$ 58,238	\$ -	\$ -	\$ 2,885	\$ 5,271	\$ 49,781	\$ 1,453,282

CITY OF COLUMBUS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2005

	Police Pension	Fire Pension	Total
Additions:			
Contributions:			
Employer	827,872	1,250,054	2,077,926
Plan members	17,650	35,301	52,951
Other	<u>14,232</u>	<u>37,148</u>	<u>51,380</u>
Total contributions	<u>859,754</u>	<u>1,322,503</u>	<u>2,182,257</u>
Investment receipts:			
Interest	<u>67,744</u>	<u>131,812</u>	<u>199,556</u>
Total additions	<u>927,498</u>	<u>1,454,315</u>	<u>2,381,813</u>
Deductions:			
Benefits	<u>1,010,662</u>	<u>1,523,719</u>	<u>2,534,381</u>
Deficiency of total additions over total deductions	(83,164)	(69,404)	(152,568)
Cash and investment fund balance - beginning	<u>1,779,679</u>	<u>3,302,696</u>	<u>5,082,375</u>
Cash and investment fund balance - ending	<u><u>\$ 1,696,515</u></u>	<u><u>\$ 3,233,292</u></u>	<u><u>\$ 4,929,807</u></u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005

	Levy Excess	Payroll	Pension	American United Life Insurance	Total
Additions:					
Agency fund additions	<u>1,724,133</u>	<u>19,299,460</u>	<u>2,268,240</u>	<u>51,351</u>	<u>23,343,184</u>
Deductions:					
Agency fund deductions	<u>-</u>	<u>19,458,850</u>	<u>2,266,640</u>	<u>45,914</u>	<u>21,771,404</u>
Excess (deficiency) of total additions over total deductions	1,724,133	(159,390)	1,600	5,437	1,571,780
Cash and investment fund balance - beginning	<u>-</u>	<u>271,596</u>	<u>(1,600)</u>	<u>-</u>	<u>269,996</u>
Cash and investment fund balance - ending	<u>\$ 1,724,133</u>	<u>\$ 112,206</u>	<u>\$ -</u>	<u>\$ 5,437</u>	<u>\$ 1,841,776</u>

CITY OF COLUMBUS
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2005

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 3,847,200
Buildings and Improvements	32,465,882
Land Improvements	9,647,347
Vehicles	10,534,057
Machinery and equipment	3,257,258
Total Infrastructure	185,944,564
Art Work	93,000
Construction in progress	<u>-</u>
Total governmental activities, capital assets not being depreciated	<u><u>\$ 245,789,308</u></u>

CITY OF COLUMBUS
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2005

CAPITAL LEASES

The Unit type has entered into the following capital leases:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
2005 Park Vehicle Lease	\$ 322,442	\$ 65,795
2004 City Postage Machine Lease	18,648	5,328
2004 Parks Vehicle & Equipment Lease	171,180	46,451
2003 Parks Vehicle & Equipment Lease	85,426	33,158
2002 Parks Vehicle Lease	58,247	46,337
2001 Parks Batting Cage Lease	48,468	23,649
1998 Foundation For Youth	4,539,000	350,000
Notes and loans payable	997,500	997,500
Bonds payable:		
General obligation bonds:		
2005 Parks District Refunding Bonds	3,655,000	240,000
Total governmental activities long-term debt	<u>\$ 9,895,912</u>	<u>\$ 1,808,217</u>

CITY OF COLUMBUS
OTHER REPORT

The annual report presented herein was prepared in addition to the separately issued report for the Water Utility, Wastewater Utility, and Aviation Commission.

CITY OF COLUMBUS
AUDIT RESULTS AND COMMENTS

TRAVEL CLAIMS

Some travel claims tested were not accompanied by adequate itemization. Some documentation included photocopied receipts, rather than original documents, and some payments were made from non-itemized credit card slips. One mileage claim tested was incorrectly prepared and calculated, resulting in an overpayment. Also, some claims included meals for two people, when only one traveler's name was listed, and others included only one meal, when two travelers were listed.

One claim reimbursed \$31.50 for the purchase of alcohol. At least one other claim appeared to include an alcohol purchase; however, due to a nonitemized receipt, the alcohol purchase could not be confirmed.

One claim tested revealed that an employee was reimbursed for mileage without filing Mileage Claim, General Form 101. Additional claims for mileage utilized the proper form; however, some forms were lacking claimant signatures or included mathematical errors.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Purchases of alcoholic beverages may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PENALTIES, INTEREST AND OTHER CHARGES

Penalties and interest totaling \$1,495.64, relative to reporting for 2004, were paid to the Internal Revenue Service on November 15, 2005.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CITY OF COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Columbus (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2005. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2005-1, 2005-2, and 2005-3.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 2005-1, 2005-2, and 2005-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the City's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 29, 2007

CITY OF COLUMBUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2005

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Department of Commerce Community Development Block Grants/State's Program KidsCommons Museum Project	14.228	PI-04-004	\$ 152,000
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance Turning Point	16.575	04-VA-024 05-VA-012 05-VA-164	19,012 25,645 4,000
Legal Aid		04-VA-025 05-VA-011	19,271 6,315
Total for program			74,243
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct Award Federal Transit Cluster Federal Transit-Formula Grants Section 5307 Urban Transit	20.507	IN-90-X477	372,904
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety Teen Driving Program Teen Driving Program	20.600	OP-05-02-03-07 OP-06-02-03-07	8,323 1,575
Total for program			9,898
Direct Grant Airport Improvement Program Phase III Parallel Taxiway project Rehabilitate and Narrow Taxiway "E" Rehabilitate the South Apron - Phase 2 Rehabilitate the South Apron - Phase 3	20.106	AIP-12 AIP-14 AIP-15 AIP-16	50,386 675,486 530,841 341,925
Total for program			1,598,638
Total federal awards expended			\$ 2,207,683

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF COLUMBUS
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Columbus (City) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CITY OF COLUMBUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? no

Reportable conditions identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified? no

Reportable conditions identified that are not considered to be material weaknesses? yes

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.507	Federal Transit Cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

CITY OF COLUMBUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

Finding 2005-1, Matching

Federal Agency: U.S. Department of Transportation
Federal Program: Airport Improvement Program
CFDA Number: 20.106

Claims paid from the FAA Grant fund 230 were improperly calculated. City Airport personnel calculate the Federal, State, and Local matching portion per the grant agreement. Upon testing of all claims paid from FAA Grant fund 230 in 2005, 13 out of 22 claims were improperly calculated.

The City has not implemented adequate internal accounting control procedures to ensure that claims are properly calculated. As a result the unit did not meet the matching requirement set forth in the grant agreements, by \$8,866.

49 CFR 18.24 states in part: "(a) With the qualifications and exceptions listed in paragraph (b) of this section, a matching or cost sharing requirement may be satisfied by either or both of the following: (1) Allowable costs incurred by the grantee, subgrantee or a cost-type contractor under the assistance agreement. This includes allowable costs borne by non-federal grants or by others' cash donations from non-Federal third parties. (2) The value of third party in-kind contributions applicable to the period to which the cost sharing or matching requirements applies."

We recommended the City follow the matching requirements as set forth in the grant agreements, as well as with the federal regulation listed above, in all future projects. The City should adopt internal accounting control procedures to ensure the proper matching requirements are met.

Finding 2005-2, Cash Management

Federal Agency: U.S. Department of Transportation
Federal Program: Airport Improvement Program
CFDA Number: 20.106

The City has not sufficiently minimized the time elapsing between transfer of funds and their disbursement. All invoices are verified of allowable costs and activities and then a request for reimbursement is prepared. The invoices are not paid until the airport receives the federal portion of the reimbursement. We noted instances where invoices were not paid in a timely manner in regards to when the federal reimbursement was received. The period from receipt of federal reimbursement to payment of claims ranged from 10 days to 38 days.

The City has not implemented adequate internal accounting controls to minimize the time between transfer of funds and their disbursement. 31 CFR 205.11 states in part: "(a) A State and Federal Program Agency must minimize the time elapsing between the transfer of funds from the United States Treasury and the State's payout of funds for Federal assistance program purposes, whether the transfer occurs before or after the payout of funds."

We recommended the City follow federal regulations in all future airport projects. The City should adopt internal accounting control procedures to ensure proper payout of funds.

CITY OF COLUMBUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Finding 2005-3, Davis-Bacon Act

Federal Agency: U.S. Department of Transportation
Federal Program: Airport Improvement Program
CFDA Number: 20.106

Certified payrolls for Airport Improvement Project number 3-18-0012-15 were not maintained.

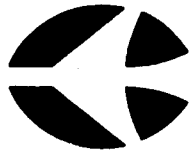
The City has not implemented adequate internal accounting controls to ensure all certified payrolls are maintained.

29 CFR 5.5 states in part: "(3)(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project) . . . (ii) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the Department of Transportation if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the Department of Transportation. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 5.5(a)(3)(i) of Regulations, 29 CFR part 5."

We recommended the City follow federal regulations in all future airport projects. The City should adopt internal accounting control procedures to ensure all required payroll records are maintained.

CITY OF COLUMBUS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



February 19, 2007

CORRECTIVE ACTION PLAN

Finding No. 2005-1. Matching

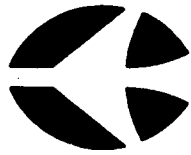
Federal Agency: U.S. Department of Transportation
Federal Program: Airport Improvement Program
CFDA Number: 20.106
Auditee Contact Person: Rod Blasdel
Title of Contact Person: Director
Office Phone Number: (812)376-2519

In the future, the Columbus Municipal Airport, under the direction of airport city officials, will ensure the proper matching requirements are met as set forth in the grant agreements and federal regulations.

Finding No. 2005-2. Cash Management

Federal Agency: U.S. Department of Transportation
Federal Program: Airport Improvement Program
CFDA Number: 20.106
Auditee Contact Person: Rod Blasdel
Title of Contact Person: Director
Office Phone Number: (812)376-2519

In the future, the Columbus Municipal Airport, under the direction of airport city officials, will adopt internal control procedures to ensure proper payout of funds and minimize the elapsed time between transfer of funds and their disbursement.



COLUMBUS MUNICIPAL AIRPORT

Finding No. 2005-3. Davis-Bacon Act

Federal Agency: U.S. Department of Transportation
Federal Program: Airport Improvement Program
CFDA Number: 20.106
Auditee Contact Person: Rod Blasdel
Title of Contact Person: Director
Office Phone Number: (812)376-2519

In the future, the Columbus Municipal Airport, under the direction of airport city officials, will implement internal accounting control procedures to ensure all required payroll records are maintained as outlined by federal regulations and the Indiana Code requirements.

R. R. Blasdel, Director
Columbus Municipal Airport

CITY OF COLUMBUS
EXIT CONFERENCE

The contents of this report were discussed on February 19, 2007, with Brenda Sullivan, Clerk-Treasurer; Marcia Covert, Chief Deputy Clerk-Treasurer; Pam Harrell, Accounting Specialist; and Oakel Hardy, City Manager. The official response has been made a part of this report and may be found on page 61.



CITY OF COLUMBUS

BRENDA SULLIVAN, CLERK-TREASURER

February 20, 2007

State Board of Accounts
302 Washington Street, Room E 418
Indianapolis, IN 46204-2765

Re: 2005 Annual Audit – Columbus, Indiana

To Whom It May Concern:

Today was the City of Columbus exit interview for the 2005 annual audit. After the discussion of the findings, I decided I wish to make a comment.

In regards to the problems with travel claims being vague and not always having itemized receipts, the Clerk Treasurer's Office has put a new policy and procedure in place. On January 8th, 2007, I held a meeting with department heads and office assistants responsible for entering claims discussing the need for always having itemized claims and supplying the departments with a form that will need to be submitted for all travel that includes all the information the State Board would required.

Next, the finding on penalties, interest and other charges was a penalty done one time as an oversight on a DROP payment to a retiree. This was simply a human error and is certainly not a common practice of this office. Since taking office January 1, 2004, there has been no problem with penalties.

Sincerely,

Brenda Sullivan
City Clerk Treasurer